



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

JUN 27 2012

Honorable Rufino Mauricio
Secretary
Department of Education
Federated States of Micronesia
P.O. Box PS 87
Paliker
Pohnpei State, FSM 96941

Dear Secretary Mauricio:

Thank you for the timely submission of Federated States of Micronesia's (FSM) Federal fiscal year (FFY) 2010 Annual Performance Report (APR) and revised State Performance Plan (SPP) under Part B of the Individuals with Disabilities Education Act (IDEA).

The Department has determined that, under IDEA section 616(d)(2)(A)(ii), FSM needs assistance in implementing the requirements of Part B of IDEA. The Department's determination is based on the totality of the State's data and information including the State's FFY 2010 APR and revised SPP, other State-reported data, and other publicly available information. See the enclosure entitled "How the Department Made Determinations under Section 616(d) of the IDEA in 2012: Part B" for further details.

The specific factor affecting the Office of Special Education Programs' (OSEP's) determination of needs assistance for FSM is longstanding unresolved audit findings which questioned costs related to Part B IDEA funds. For this reason, we were unable to determine that FSM met requirements for FFY 2010 under IDEA section 616(d).

OSEP notes other areas that reflect a high level of performance, which include that FSM reported valid and reliable data for all indicators and that its FFY 2010 data reflect a high level of compliance for Indicators 11 (100%), Indicator 13 (100%), Indicator 15 (99%), and Indicator 20 (98.76%). We hope that FSM will be able to demonstrate that it meets requirements in its next APR.

The enclosed table provides OSEP's analysis of FSM's FFY 2010 APR and revised SPP and identifies, by indicator, OSEP's review of any revisions made by FSM to its targets, improvement activities (timelines and resources), and baseline data in FSM's SPP. The table also identifies, by indicator: (1) FSM's reported FFY 2010 data; (2) whether such data met the FSM's FFY 2010 targets and reflect progress or slippage from the prior year's data; (3) if applicable, that FSM's data are not valid and reliable; and (4) whether FSM corrected findings of noncompliance.

FSM's determinations for FFYs 2006, 2007, 2008, and 2009 were also needs assistance. In accordance with section 616(e)(1) of the IDEA and 34 CFR §300.604(a), if a State is determined to need assistance for two consecutive years, the Secretary must take one or more of the following actions: (1) advise the State of available sources of technical assistance that may help the State address the areas in which the State needs assistance; (2) direct the use of State-level

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funds on the area or areas in which the State needs assistance; or (3) identify the State as a high-risk grantee and impose Special Conditions on the State's Part B grant award.

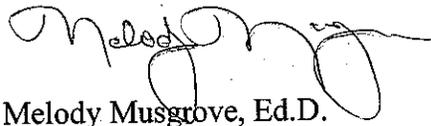
Pursuant to these requirements, the Secretary is advising the State of available sources of technical assistance related to FSM's fiscal management of IDEA funds. FSM must work with the OSEP-designated audit facilitator and the technical assistance provider that it selects to substantially address all outstanding audits including its single State audits. Technical assistance related to FSM's financial management system is available through the American Recovery and Reinvestment Act (ARRA)/Fiscal Priority Team and the Western Regional Resource Center.

As required by section 616(e)(7) of the IDEA and 34 CFR §300.606, the State must notify the public within the State that the Secretary of Education has taken the above enforcement action, including, at a minimum, by posting a public notice on the agency's Web site and distributing the notice to the media and through public agencies.

As you know, pursuant to IDEA section 616(b)(2)(C)(ii)(I) and 34 CFR §300.602(b)(1)(i)(A), FSM must report annually to the public on the performance of each local educational agency (LEA) located in the State on the targets in the SPP as soon as practicable, but no later than June 1, 2012. Because your jurisdiction is a unitary entity (i.e., the SEA is the only LEA), you may meet this public reporting requirement by posting your FFY 2010 APR on FSM's educational agency's Web site and making it available to the public, consistent with 34 CFR §300.602(b)(1)(i)(B). For further information regarding these requirements, see "The Right IDEA" Web site at: <http://therightidea.tadnet.org/determinations>. Finally, please ensure that your updated SPP is posted on FSM's educational agency's Web site and made available to the public, consistent with 34 CFR §300.602(b)(1)(i)(B).

OSEP is committed to supporting FSM's efforts to improve results for children and youth with disabilities and looks forward to working with your State over the next year. If you have any questions, would like to discuss this further, or want to request technical assistance, please contact Genee Norbert, your OSEP State Contact, at 202-245-7326.

Sincerely,



Melody Musgrove, Ed.D.

Director

Office of Special Education Programs

Enclosures

cc: State Director of Special Education